



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE
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June 19, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

A handwritten signature in blue ink, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **JEWISH VOCATIONAL SERVICE – A DEPARTMENT OF PUBLIC
SOCIAL SERVICES REFUGEE EMPLOYMENT PROGRAM AND
GENERAL RELIEF OPPORTUNITIES FOR WORK PROGRAM
PROVIDER – CONTRACT COMPLIANCE REVIEW**

We completed a program and fiscal review of Jewish Vocational Service (JVS or Agency), which covered a sample of transactions from July 2011 through July 2012. The Department of Public Social Services (DPSS) contracts with JVS, a non-profit organization, to operate the Refugee Employment Program (REP), which provides services to refugees who have resided in the United States for less than five years. REP Program services include performing skills and needs assessments, facilitating job placement and retention services, and referring participants to additional available resources. DPSS also contracts with JVS to operate the General Relief Opportunities for Work (GROW) Program, which provides employment and training services to help employable General Relief program recipients obtain jobs and achieve self-sufficiency. GROW Program services include Orientation, Rapid Employment and Promotion activity, and Job Skills Preparation Classes.

The purpose of our review was to determine whether JVS appropriately accounted for and spent REP and GROW Program funds to provide the services outlined in their County contracts. We also evaluated the Agency's accounting records, internal controls, and compliance with their contract and other applicable guidelines.

DPSS paid the Agency approximately \$471,000 for the REP Program at a fixed monthly fee for each participant during Fiscal Year (FY) 2011-12. DPSS also paid the Agency approximately \$1.1 million for the GROW Program on a fixed-fee basis during FY 2011-12. JVS provides REP Program services to residents of the Second, Third, and Fourth Supervisorial Districts. JVS also provides GROW Program services to residents of all Supervisorial Districts.

Results of Review

JVS provided services to eligible individuals, recorded and deposited DPSS payments timely, and Agency staff had the required qualifications. In addition, the Agency's Cost Allocation Plan was prepared in compliance with the County contract and used to allocate shared costs appropriately. However, the Agency did not spend \$25,763 in GROW Program funds received from the County during FY 2011-12. We noted JVS' GROW contract does not include provisions requiring the Agency to return or reinvest unspent GROW Program funds, or reimburse the County for disallowed costs. These provisions are necessary to ensure GROW Program funds are used for their intended purpose. DPSS indicated they are currently re-soliciting the GROW contracts for all of their providers and have incorporated County Counsel approved provisions for providers to return unspent funds and reimburse the County for disallowed costs. We have no findings or recommendations for the Agency.

Review of Report

We discussed our report with JVS and DPSS on May 7, 2013. JVS is not required to submit a response to this report, because there are no findings or recommendations.

We thank JVS management for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:AB:DC:AA

c: William T Fujioka, Chief Executive Officer
Sheryl L. Spiller, Director, DPSS
John Goldsmith, Board President, JVS
Vivian Seigel, Chief Executive Officer, JVS
Public Information Office
Audit Committee

**JEWISH VOCATIONAL SERVICE
REFUGEE EMPLOYMENT PROGRAM AND GENERAL RELIEF OPPORTUNITIES
FOR WORK PROGRAM
JULY 2011 THROUGH JULY 2012**

ELIGIBILITY

Objective

Determine whether Jewish Vocational Service (JVS or Agency) provided services to individuals who met the Refugee Employment Program (REP) and General Relief Opportunities for Work (GROW) Program eligibility requirements.

Verification

We reviewed the case files for 15 (2%) of the 757 participants who received REP Program services and 15 (2%) of the 753 participants who received GROW Program services during June and July 2012 for documentation to confirm their eligibility.

Results

JVS had documentation to support all 30 participants' eligibility for the applicable Program's services.

Recommendation

None.

PROGRAM SERVICES

Objective

Determine whether JVS provided the services required by their County contracts, and the REP and GROW Program guidelines, and whether the Program participants received the billed services.

Verification

We visited two (67%) of JVS' three REP service sites and two (50%) of JVS' four GROW service sites. We also reviewed the case files for 15 (2%) of the 757 participants who received REP Program services and 15 (2%) of the 753 participants who received GROW Program services during June and July 2012.

Results

JVS provided services in accordance with their County contracts.

Recommendation

None.

STAFFING QUALIFICATIONS**Objective**

Determine whether JVS staff had the qualifications required by their County contracts.

Verification

We reviewed the personnel files for seven (23%) of the 31 JVS employees who worked on both the REP and GROW Programs.

Results

JVS' staff had the qualifications required by their County contracts.

Recommendation

None.

CASH/REVENUE**Objective**

Determine whether JVS recorded revenue in the Agency's financial records properly, deposited cash receipts into their bank accounts timely, and completed and approved bank account reconciliations appropriately.

Verification

We interviewed JVS management, and reviewed the Agency's financial records and July 2012 bank reconciliations.

Results

JVS recorded revenue in their financial records properly, deposited Department of Public Social Services (DPSS) payments into the Agency's bank account timely, and prepared monthly bank reconciliations appropriately.

Recommendation

None.

UNSPENT REVENUE**Objective**

Determine whether JVS had any unspent revenue for the REP and GROW Programs for Fiscal Year (FY) 2011-12.

Verification

We traced the total revenues and expenditures from JVS' FY 2011-12 REP close-out report to the Agency's accounting records, and to DPSS' payment records. We also traced the total revenues and expenditures from JVS' accounting records to DPSS' payment records for the GROW Program.

Results

JVS did not have any unspent revenue for the REP Program during FY 2011-12. For the GROW Program, DPSS compensates JVS monthly on a fixed-fee basis and the Agency's accounting records indicated that the Agency had \$25,763 in unspent Program funds during FY 2011-12. However, JVS' GROW contract does not include provisions requiring the Agency to return or reinvest unspent GROW Program funds, or reimburse the County for disallowed costs. These provisions are necessary to ensure GROW Program funds are used for their intended purpose. DPSS indicated they are currently re-soliciting the GROW contracts for all of their providers and have incorporated County Counsel approved provisions to ensure all providers will be required to return unspent funds and reimburse the County for disallowed costs.

Recommendation

None.

EXPENDITURES/PROCUREMENT**Objective**

Determine whether expenditures charged to the REP and GROW Programs were allowable under the County contracts, properly documented, and accurately billed.

Verification

We interviewed JVS' personnel, and reviewed financial records for 18 non-payroll expenditures, totaling \$32,090, that the Agency charged to the REP and GROW Programs from August 2011 through July 2012.

Results

JVS' expenditures were allowable, properly documented, and accurately billed.

Recommendation

None.

PAYROLL AND PERSONNEL**Objective**

Determine whether JVS charged payroll costs to the REP and GROW Programs appropriately, and maintained personnel files as required.

Verification

We traced the payroll costs for seven employees, totaling \$12,956, for July 2012 to the Agency's payroll records and time reports. We also interviewed staff, and reviewed personnel files for REP and GROW Program staff.

Results

JVS appropriately charged payroll costs to the REP and GROW Programs, and maintained personnel files as required.

Recommendation

None.

COST ALLOCATION PLAN**Objective**

Determine whether JVS prepared their Cost Allocation Plan (Plan) in compliance with their County contracts, and used the Plan to allocate shared costs appropriately.

Verification

We reviewed JVS' Plan, and a sample of expenditures from August 2011 through July 2012.

Results

JVS prepared its Plan in compliance with their County contracts, and the Agency allocated their shared costs appropriately.

Recommendation

None.